

# CONTROLLER JOHN CHIANG

## STATE OF CALIFORNIA

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## Chiang Releases July Cash Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements for July 2008.

“For the second consecutive month, total receipts exceeded the most recent estimates, while State spending was less than anticipated,” Chiang said. “This gives us every reason to believe that the State can continue to pay its bills into the month of October while maintaining a reasonable cash cushion. It also pushes back the timetable for external borrowing that may be needed to maintain the State’s cash flow.”

At the end of July, the State had \$10.1 billion remaining in unused borrowable resources, more than twice what was estimated in the Governor’s May Revision. Internal borrowing was used in July to cover the deficit between \$4.8 billion in receipts and \$8.9 billion in disbursements.

Personal income taxes were \$223 million above the estimate (8.3%) but retail sales taxes were below the estimate by \$132 million (-12.9%) and corporation taxes fell short by \$45 million (-17.9%).

“While the State’s cash position has improved, it has not eliminated the need for an expensive and risky Wall Street borrowing later this year,” Chiang said. “The only way to avoid the risk of running out of cash is to quickly enact a budget that addresses the State’s chronic structural deficit.”

Without a budget, the Controller could not make \$1.25 billion in payments during July. The Controller will be prohibited from making more than [\\$3 billion in payments](#) this month unless a budget is signed.

The [financial statement](#) and the [summary analysis](#) can be found on the Controller’s Web site at [www.sco.ca.gov](http://www.sco.ca.gov).

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